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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In Re:

FIRESTAR DIAMOND, INC., et al.,

Debtors.

RICHARD LEVIN, Chapter 11 Trustee of
FIRESTAR DIAMOND, INC., FANTASY, INC.,
and OLD AJ, INC. f/k/a A. JAFFE, INC.,

Plaintiff,

v.

NIRAV DEEPAK MODI, MIHIR BHANSALI,
and AJAY GANDHI,

Defendants.

Chapter 11

Case No. 18-10509 (SHL)

(Jointly Administered)

Adv. Proc. No. 19-01102-shl

**DEFENDANT MIHIR BHANSALI'S ANSWER AND DEFENSES TO THE FIRST
AMENDED COMPLAINT AGAINST INSIDERS FOR BREACH OF FIDUCIARY
DUTY, AIDING AND ABETTING BREACH OF FIDUCIARY DUTY, CORPORATE
WATES AND VIOLATIONS OF THE RACKETEERING INFLUENCED CORRUPT
ORGANIZATIONS ACT**

Defendant Mihir Bhansali (“Mr. Bhansali”), by his attorneys, White and Williams LLP, respectfully submits this Answer and Defenses against the First Amended Complaint (“FAC”) brought by the Plaintiff, Richard Levin, as Chapter 11 Trustee of Firestar Diamond, Inc. Fantasy, Inc., and Old AJ, Inc., f/k/a A. Jaffe, Inc. (the “Trustee”) and alleges as follows:

1. Paragraph 1 of the FAC does not contain any allegation, and thus, no response is required.

ANSWER TO JURISDICTION AND VENUE

2. Paragraph 2 of the FAC states a legal conclusion to which no response is required. To the extent a response is required, denies the allegations as stated in paragraph 2 of the FAC.

3. Paragraph 3 of the FAC states a legal conclusion to which no response is required. To the extent a response is required, denies the allegations as stated in paragraph 3 of the FAC.

4. Paragraph 4 of the FAC does not contain any allegation, and thus, no response is required.

5. Paragraph 5 of the FAC states a legal conclusion to which no response is required. To the extent a response is required, denies the allegations as stated in paragraph 5 of the FAC.

ANSWER TO THE PARTIES AND OTHER RELEVANT ENTITIES

6. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 6 of the FAC.

7. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 7 of the FAC.

8. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 8 of the FAC.

9. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 9 of the FAC.

10. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 10 of the FAC.

11. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 11 of the FAC.

12. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 12 of the FAC.

13. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 13 of the FAC.

14. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 14 of the FAC.

15. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 15 of the FAC.

16. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 16 of the FAC.

17. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 17 of the FAC.

18. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 18 of the FAC.

19. Denies the allegations as stated in paragraph 19 of the FAC except admits that Mr. Bhansali resides in New York.

20. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 20 of the FAC.

21. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 21 of the FAC.

22. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 22 of the FAC.

23. Denies the allegations as stated in paragraph 23 of the FAC.

24. Denies the allegations as stated in paragraph 24 of the FAC.

25. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 25 of the FAC.

26. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 26 of the FAC.

27. Denies the allegations as stated in paragraph 27 of the FAC.

28. Denies the allegations as stated in paragraph 28 of the FAC.

29. Denies the allegations as stated in paragraph 29 of the FAC.

30. Denies the allegations as stated in paragraph 30 of the FAC.

31. Denies the allegations as stated in paragraph 31 of the FAC.

32. Denies the allegations as stated in paragraph 32 of the FAC.

33. Denies the allegations as stated in paragraph 33 of the FAC.

34. Denies the allegations as stated in paragraph 34 of the FAC.

35. Denies the allegations as stated in paragraph 35 of the FAC.

36. Denies the allegations as stated in paragraph 36 of the FAC.

37. Denies the allegations as stated in paragraph 37 of the FAC.

38. Denies the allegations as stated in paragraph 38 of the FAC.

39. Denies the allegations as stated in paragraph 39 of the FAC.

40. Denies the allegations as stated in paragraph 40 of the FAC.

41. Denies the allegations as stated in paragraph 41 of the FAC.

42. Denies the allegations as stated in paragraph 42 of the FAC.

43. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 43 of the FAC.

44. Denies the allegations as stated in paragraph 44 of the FAC and refers to the referenced document for the complete contents thereof.

45. Denies the allegations as stated in paragraph 45 of the FAC.

46. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 46 of the FAC.

47. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 47 of the FAC.

48. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 48 of the FAC.

49. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 49 of the FAC.

50. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 50 of the FAC.

51. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 51 of the FAC.

52. Denies the allegations as stated in paragraph 52 of the FAC.

53. Denies the allegations as stated in paragraph 53 of the FAC.

54. Denies the allegations as stated in paragraph 54 of the FAC.

55. Denies the allegations as stated in paragraph 55 of the FAC.

56. Denies the allegations as stated in paragraph 56 of the FAC.

57. Denies the allegations as stated in paragraph 57 of the FAC.

58. Denies the allegations as stated in paragraph 58 of the FAC.

59. Denies the allegations as stated in paragraph 59 of the FAC.

60. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 60 of the FAC.

61. Denies the allegations as stated in paragraph 61 of the FAC.

62. Denies the allegations as stated in paragraph 62 of the FAC.

63. Denies the allegations as stated in paragraph 63 of the FAC.

64. Denies the allegations as stated in paragraph 64 of the FAC.

65. Denies the allegations as stated in paragraph 65 of the FAC.

66. Denies the allegations as stated in paragraph 66 of the FAC.

67. Denies the allegations as stated in paragraph 67 of the FAC.

68. Denies the allegations as stated in paragraph 68 of the FAC.

69. Denies the allegations as stated in paragraph 69 of the FAC.

70. Denies the allegations as stated in paragraph 70 of the FAC.

71. Denies the allegations as stated in paragraph 71 of the FAC and refers to the referenced document for the complete contents thereof.

72. Denies the allegations as stated in paragraph 72 of the FAC and refers to the referenced document for the complete contents thereof.

73. Denies the allegations as stated in paragraph 73 of the FAC and refers to the referenced document for the complete contents thereof.

74. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 74 of the FAC.

75. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 75 of the FAC.

76. Denies the allegations as stated in paragraph 76 of the FAC and refers to the referenced document for the complete contents thereof.

77. Denies the allegations as stated in paragraph 77 of the FAC and refers to the referenced document for the complete contents thereof.

78. Denies the allegations as stated in paragraph 78 of the FAC and refers to the referenced document for the complete contents thereof.

79. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 79 of the FAC.

80. Denies the allegations as stated in paragraph 80 of the FAC and refers to the referenced documents for the complete contents thereof.

81. Denies the allegations as stated in paragraph 81 of the FAC and refers to the referenced documents for the complete contents thereof.

82. Denies the allegations as stated in paragraph 82 of the FAC and refers to the referenced documents for the complete contents thereof.

83. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 83 of the FAC.

84. Denies the allegations as stated in paragraph 84 of the FAC.

85. Denies the allegations as stated in paragraph 85 of the FAC.

86. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 86 of the FAC.

87. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 87 of the FAC.

88. Denies the allegations as stated in paragraph 88 of the FAC and refers to the referenced documents for the complete contents thereof.

89. Denies the allegations as stated in paragraph 89 of the FAC.

90. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 90 of the FAC.

91. Denies the allegations as stated in paragraph 91 of the FAC.

92. Denies the allegations as stated in paragraph 92 of the FAC.

93. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 93 of the FAC.

94. Denies the allegations as stated in paragraph 94 of the FAC and refers to the referenced document for the complete contents thereof.

95. Denies the allegations as stated in paragraph 95 of the FAC and refers to the referenced document for the complete contents thereof.

96. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 96 of the FAC.

97. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 97 of the FAC.

98. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 98 of the FAC.

99. Denies the allegations as stated in paragraph 99 of the FAC and refers to the referenced documents for the complete contents thereof.

100. Denies the allegations as stated in paragraph 100 of the FAC and refers to the referenced document for the complete contents thereof.

101. Denies the allegations as stated in paragraph 101 of the FAC and refers to the referenced document for the complete contents thereof.

102. Denies the allegations as stated in paragraph 102 of the FAC and refers to the referenced document for the complete contents thereof.

103. Denies the allegations as stated in paragraph 103 of the FAC.

104. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 104 of the FAC.

105. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 105 of the FAC.

106. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 106 of the FAC.

107. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 107 of the FAC.

108. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 108 of the FAC.

109. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 109 of the FAC.

110. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 110 of the FAC.

111. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 111 of the FAC.

112. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 112 of the FAC.

113. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 113 of the FAC.

114. Denies the allegations as stated in paragraph 114 of the FAC and refers to the referenced document for the complete contents thereof.

115. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 115 of the FAC.

116. Denies the allegations as stated in paragraph 116 of the FAC and refers to the referenced document for the complete contents thereof.

117. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 117 of the FAC.

118. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 118 of the FAC.

119. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 119 of the FAC.

120. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 120 of the FAC.

121. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 121 of the FAC.

122. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 122 of the FAC.

123. Denies the allegations as stated in paragraph 123 of the FAC.

124. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 124 of the FAC.

125. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 125 of the FAC.

126. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 126 of the FAC.

127. Denies the allegations as stated in paragraph 127 of the FAC and refers to the referenced documents for the complete contents thereof.

128. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 128 of the FAC.

129. Denies the allegations as stated in paragraph 129 of the FAC.

130. Denies the allegations as stated in paragraph 130 of the FAC.

131. Denies the allegations as stated in paragraph 131 of the FAC.

132. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in 132 of the FAC.

133. Denies the allegations as stated in paragraph 133 of the FAC.

134. Denies the allegations as stated in paragraph 134 of the FAC.

135. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 135 of the FAC.

136. Denies the allegations as stated in paragraph 136 of the FAC.

137. Denies the allegations as stated in paragraph 137 of the FAC.
138. Denies the allegations as stated in the first sentence of paragraph 138 of the FAC and admit the allegations as stated in the second sentence of paragraph 138 of the FAC.
139. Denies the allegations as stated in paragraph 139 of the FAC.
140. Denies the allegations as stated in paragraph 140 of the FAC.
141. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 141 of the FAC. [TB]
142. Denies the allegations as stated in paragraph 142 of the FAC.
143. Denies the allegations as stated in paragraph 143 of the FAC, except denies knowledge or information sufficient to form a belief as to instructions given by Modi's personal assistant to Gandhi.
144. Denies the allegations as stated in paragraph 144 of the FAC, except denies knowledge or information sufficient to form a belief as to the referenced communications.
145. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 145 of the FAC.
146. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 146 of the FAC.
147. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 147 of the FAC.
148. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 148 of the FAC.
149. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 149 of the FAC.

150. Denies the allegations as stated in paragraph 150 of the FAC.
151. Denies the allegations as stated in paragraph 151 of the FAC.
152. Denies the allegations as stated in paragraph 152 of the FAC.
153. Denies the allegations as stated in paragraph 153 of the FAC and refers to the referenced document for the complete contents thereof.
154. Denies the allegations as stated in paragraph 154 of the FAC and refers to the referenced document for the complete contents thereof.
155. Denies the allegations as stated in paragraph 155 of the FAC and refers to the referenced document for the complete contents thereof.
156. Denies the allegations as stated in paragraph 156 of the FAC and refers to the referenced document for the complete contents thereof.
157. Denies the allegations as stated in paragraph 157 of the FAC and refers to the referenced document for the complete contents thereof.
158. Denies the allegations as stated in paragraph 158 of the FAC and refers to the referenced document for the complete contents thereof.
159. Denies the allegations as stated in paragraph 159 of the FAC and refers to the referenced document for the complete contents thereof.
160. Denies the allegations as stated in paragraph 160 of the FAC and refers to the referenced documents for the complete contents thereof.
161. Denies the allegations as stated in paragraph 161 of the FAC and refers to the referenced documents for the complete contents thereof.
162. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 162 of the FAC.

163. Deny the allegations as stated in paragraph 162 of the FAC except admit that Mr. Carney was appointed by the Court as an examiner in the bankruptcy.

164. Denies the allegations as stated in paragraph 164 of the FAC.

165. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 165 of the FAC.

166. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 166 of the FAC.

167. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 167 of the FAC.

168. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 168 of the FAC.

169. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 169 of the FAC.

170. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 170 of the FAC.

171. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 171 of the FAC.

172. Admit.

173. Denies the allegations as stated in paragraph 173 of the FAC.

174. Denies the allegation as stated in paragraph 174 of the FAC.

175. Denies the allegations as stated in paragraph 175 of the FAC and refers to the referenced documents for the complete contents thereof.

176. Denies the allegations as stated in paragraph 176 of the FAC and refers to the referenced documents for the complete contents thereof.

177. Denies the allegations as stated in paragraph 177 of the FAC and refers to the referenced documents for the complete contents thereof.

178. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 178 of the FAC.

179. Denies the allegations as stated in paragraph 179 of the FAC and refers to the referenced document for the complete contents thereof.

180. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 180 of the FAC.

181. Denies the allegations as stated in paragraph 181 of the FAC.

182. Denies the allegations as stated in paragraph 182 of the FAC and refers to the referenced documents for the complete contents thereof.

183. Denies the allegations as stated in paragraph 183 of the FAC.

184. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 184 of the FAC.

185. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 185 of the FAC.

186. Denies the allegations as stated in paragraph 186 of the FAC.

187. Paragraph 187 of the FAC states a legal conclusion to which no response is required. To the extent a response is required, denies the allegations as stated in paragraph 187 of the FAC.

188. Denies the allegations as stated in paragraph 188 of the FAC.

189. Denies the allegations as stated in paragraph 189 of the FAC.

190. Denies the allegations as stated in paragraph 190 of the FAC and refers to the referenced documents for the complete contents thereof.

191. Denies the allegations as stated in paragraph 191 of the FAC and refers to the referenced documents for the complete contents thereof.

192. Denies the allegations as stated in paragraph 192 of the FAC and refers to the referenced documents for the complete contents thereof.

193. Denies the allegations as stated in paragraph 193 of the FAC and refers to the referenced documents for the complete contents thereof.

194. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 194 of the FAC.

195. Denies the allegations as stated in paragraph 195 of the FAC.

196. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 196 of the FAC.

197. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 197 of the FAC.

ANSWER TO CLAIMS FOR RELIEF

ANSWER TO COUNT 1 – BREACH OF FIDUCIARY DUTY (Nirav Modi)

198. Repeats and reasserts each and every response to paragraphs 1 through 197 of the FAC as if more particularly set forth herein.

199. Mr. Bhansali makes no answer to the allegations in paragraph 199 of the FAC, as these allegations are not directed against Mr. Bhansali. To the extent a response is required, denies the allegations as stated in paragraph 199 of the FAC.

200. Mr. Bhansali makes no answer to the allegations in paragraph 200 of the FAC, as these allegations are not directed against Mr. Bhansali. To the extent a response is required, denies the allegations as stated in paragraph 200 of the FAC.

201. Mr. Bhansali makes no answer to the allegations in paragraph 201 of the FAC, as these allegations are not directed against Mr. Bhansali. To the extent a response is required, denies the allegations as stated in paragraph 201 of the FAC.

202. Mr. Bhansali makes no answer to the allegations in paragraph 202 of the FAC, as these allegations are not directed against Mr. Bhansali. To the extent a response is required, denies the allegations as stated in paragraph 202 of the FAC.

203. Mr. Bhansali makes no answer to the allegations in paragraph 203 of the FAC, as these allegations are not directed against Mr. Bhansali. To the extent a response is required, denies the allegations as stated in paragraph 203 of the FAC.

**ANSWER TO COUNT 2 – BREACH OF FIDUCIARY DUTY
(Mihir Bhansali)**

204. Repeats and reasserts each and every response to paragraphs 1 through 203 of the FAC as if more particularly set forth herein.

205. Paragraph 205 of the FAC states a legal conclusion to which no response is required. To the extent a response is required, denies the allegations as stated in paragraph 205 of the FAC.

206. Denies each and every allegation as stated in paragraph 206 of the FAC.

207. Denies each and every allegation as stated in paragraph 207 of the FAC.

**ANSWER TO COUNT 3 – BREACH OF FIDUCIARY DUTY
(Ajay Ghandi)**

208. Repeats and reasserts each and every response to paragraphs 1 through 207 of the FAC as if more particularly set forth herein.

209. Mr. Bhansali makes no answer to the allegations in paragraph 209 of the FAC, as these allegations are not directed against Mr. Bhansali. To the extent a response is required, denies the allegations as stated in paragraph 209 of the FAC.

210. Mr. Bhansali makes no answer to the allegations in paragraph 210 of the FAC, as these allegations are not directed against Mr. Bhansali. To the extent a response is required, denies the allegations as stated in paragraph 210 of the FAC.

211. Mr. Bhansali makes no answer to the allegations in paragraph 211 of the FAC, as these allegations are not directed against Mr. Bhansali. To the extent a response is required, denies the allegations as stated in paragraph 211 of the FAC.

**ANSWER TO COUNT 4 – AIDING AND ABETTING BREACH OF FIDUCIARY DUTY
(Nirav Modi)**

212. Repeats and reasserts each and every response to paragraphs 1 through 211 of the FAC as if more particularly set forth herein.

213. Mr. Bhansali makes no answer to the allegations in paragraph 213 of the FAC, as these allegations are not directed against Mr. Bhansali. To the extent a response is required, denies the allegations as stated in paragraph 213 of the FAC.

214. Mr. Bhansali makes no answer to the allegations in paragraph 214 of the FAC, as these allegations are not directed against Mr. Bhansali. To the extent a response is required, denies the allegations as stated in paragraph 214 of the FAC.

215. Mr. Bhansali makes no answer to the allegations in paragraph 215 of the FAC, as these allegations are not directed against Mr. Bhansali. To the extent a response is required, denies the allegations as stated in paragraph 215 of the FAC.

216. Mr. Bhansali makes no answer to the allegations in paragraph 216 of the FAC, as these allegations are not directed against Mr. Bhansali. To the extent a response is required, denies the allegations as stated in paragraph 216 of the FAC.

217. Mr. Bhansali makes no answer to the allegations in paragraph 217 of the FAC, as these allegations are not directed against Mr. Bhansali. To the extent a response is required, denies the allegations as stated in paragraph 217 of the FAC.

**ANSWER TO COUNT 5 – CORPORATE WASTE
(Nirav Modi)**

218. Repeats and reasserts each and every response to paragraphs 1 through 217 of the FAC as if more particularly set forth herein.

219. Mr. Bhansali makes no answer to the allegations in paragraph 219 of the FAC, as these allegations are not directed against Mr. Bhansali. To the extent a response is required, denies the allegations as stated in paragraph 219 of the FAC.

220. Mr. Bhansali makes no answer to the allegations in paragraph 220 of the FAC, as these allegations are not directed against Mr. Bhansali. To the extent a response is required, denies the allegations as stated in paragraph 220 of the FAC.

221. Mr. Bhansali makes no answer to the allegations in paragraph 221 of the FAC, as these allegations are not directed against Mr. Bhansali. To the extent a response is required, denies the allegations as stated in paragraph 221 of the FAC.

222. Mr. Bhansali makes no answer to the allegations in paragraph 222 of the FAC, as these allegations are not directed against Mr. Bhansali. To the extent a response is required, denies the allegations as stated in paragraph 222 of the FAC.

**ANSWER TO COUNT 6 – CORPORATE WASTE
(Mihir Bhansali)**

223. Repeats and reasserts each and every response to paragraphs 1 through 222 of the FAC as if more particularly set forth herein.

224. Paragraph 224 of the FAC states a legal conclusion to which no response is required. To the extent a response is required, denies the allegations as stated in paragraph 224 of the FAC.

225. Denies each and every allegation as stated in paragraph 225 of the FAC.

226. Denies each and every allegation as stated in paragraph 226 of the FAC.

227. Denies each and every allegation as stated in paragraph 227 of the FAC.

**ANSWER TO COUNT 7 – CORPORATE WASTE
(Ajay Ghandi)**

228. Repeats and reasserts each and every response to paragraphs 1 through 227 of the FAC as if more particularly set forth herein.

229. Mr. Bhansali makes no answer to the allegations in paragraph 229 of the FAC, as these allegations are not directed against Mr. Bhansali. To the extent a response is required, denies the allegations as stated in paragraph 229 of the FAC.

230. Mr. Bhansali makes no answer to the allegations in paragraph 230 of the FAC, as these allegations are not directed against Mr. Bhansali. To the extent a response is required, denies the allegations as stated in paragraph 230 of the FAC.

231. Mr. Bhansali makes no answer to the allegations in paragraph 231 of the FAC, as these allegations are not directed against Mr. Bhansali. To the extent a response is required, denies the allegations as stated in paragraph 231 of the FAC.

232. Mr. Bhansali makes no answer to the allegations in paragraph 232 of the FAC, as these allegations are not directed against Mr. Bhansali. To the extent a response is required, denies the allegations as stated in paragraph 232 of the FAC.

**ANSWER TO COUNT 8 – RACKETEERING INFLUENCED CORRUPT
ORGANIZATIONS ACT (“RICO”) 18 U.S.C. § 1962(c)
(Nirav Modi, Mihir Bhansali, Ajay Ghandi)**

233. Repeats and reasserts each and every response to paragraphs 1 through 232 of the FAC as if more particularly set forth herein.

234. Paragraph 234 of the FAC states a legal conclusion to which no response is required. To the extent a response is required, denies the allegations as stated in paragraph 234 of the FAC.

235. Denies each and every allegation as stated in paragraph 235 of the FAC.

236. Denies each and every allegation as stated in paragraph 236 of the FAC.

237. Denies each and every allegation as stated in paragraph 237 of the FAC.

238. Paragraph 238 of the FAC states a legal conclusion to which no response is required. To the extent a response is required, denies the allegations as stated in paragraph 238 of the FAC.

239. Paragraph 239 of the FAC states a legal conclusion to which no response is required. To the extent a response is required, denies the allegations as stated in paragraph 239 of the FAC.

240. Denies each and every allegation as stated in paragraph 240 of the FAC.

241. Paragraph 241 of the FAC states a legal conclusion to which no response is required. To the extent a response is required, denies the allegations as stated in paragraph 241 of the FAC.

242. Denies each and every allegation as stated in paragraph 242 of the FAC.

243. Denies each and every allegation as stated in paragraph 243 of the FAC.

244. Paragraph 244 of the FAC states a legal conclusion to which no response is required. To the extent a response is required, denies the allegations as stated in paragraph 244 of the FAC.

245. Denies each and every allegation as stated in paragraph 245 of the FAC.

246. Paragraph 246 of the FAC states a legal conclusion to which no response is required. To the extent a response is required, denies the allegations as stated in paragraph 246 of the FAC.

247. Denies each and every allegation as stated in paragraph 247 of the FAC.

248. Denies each and every allegation as stated in paragraph 248 of the FAC.

249. Denies each and every allegation as stated in paragraph 249 of the FAC.

250. Denies each and every allegation as stated in paragraph 250 of the FAC.

251. Denies each and every allegation as stated in paragraph 251 of the FAC.

252. Denies each and every allegation as stated in paragraph 252 of the FAC.

253. Denies each and every allegation as stated in paragraph 253 of the FAC.

254. Denies each and every allegation as stated in paragraph 254 of the FAC.

255. Denies the allegations as stated in paragraph 255 of the FAC.

256. Denies the allegations as stated in paragraph 256 of the FAC.

257. Denies the allegations as stated in paragraph 257 of the FAC.

- 258. Denies each and every allegation as stated in paragraph 258 of the FAC.
- 259. Denies each and every allegation as stated in paragraph 259 of the FAC.
- 260. Denies each and every allegation as stated in paragraph 260 of the FAC.
- 261. Denies the allegations as stated in paragraph 261 of the FAC.
- 262. Denies the allegations as stated in paragraph 262 of the FAC.
- 263. Denies each and every allegation as stated in paragraph 263 of the FAC.
- 264. Denies each and every allegation as stated in paragraph 264 of the FAC.
- 265. Denies each and every allegation as stated in paragraph 265 of the FAC.
- 266. Denies each and every allegation as stated in paragraph 266 of the FAC.
- 267. Denies each and every allegation as stated in paragraph 267 of the FAC.
- 268. Denies each and every allegation as stated in paragraph 268 of the FAC.
- 269. Denies each and every allegation as stated in paragraph 269 of the FAC.
- 270. Denies each and every allegation as stated in paragraph 270 of the FAC.
- 271. Denies the allegations as stated in paragraph 271 of the FAC.
- 272. Denies the allegations as stated in paragraph 272 of the FAC.
- 273. Denies the allegations as stated in paragraph 273 of the FAC.
- 274. Denies the allegations as stated in paragraph 274 of the FAC.
- 275. Denies each and every allegation as stated in paragraph 275 of the FAC.
- 276. Denies the allegations as stated in paragraph 276 of the FAC.
- 277. Denies the allegations as stated in paragraph 277 of the FAC.
- 278. Denies the allegations as stated in paragraph 278 of the FAC.
- 279. Denies the allegations as stated in paragraph 279 of the FAC.
- 280. Denies the allegations as stated in paragraph 280 of the FAC.

281. Denies the allegations as stated in paragraph 281 of the FAC.
282. Denies the allegations as stated in paragraph 282 of the FAC.
283. Denies the allegations as stated in paragraph 282 of the FAC.
284. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 284 of the FAC.
285. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 285 of the FAC.
286. Denies the allegations as stated in paragraph 286 of the FAC.
287. Denies the allegations as stated in paragraph 287 of the FAC.
288. Denies each and every allegation as stated in paragraph 288 of the FAC.
289. Paragraph 289 of the FAC states a legal conclusion to which no response is required. To the extent a response is required, denies the allegations as stated in paragraph 289 of the FAC.
290. Denies each and every allegation as stated in paragraph 290 of the FAC.
291. Denies each and every allegation as stated in paragraph 291 of the FAC.
292. Denies each and every allegation as stated in paragraph 292 of the FAC.
293. Denies each and every allegation as stated in paragraph 293 of the FAC.
294. Denies each and every allegation as stated in paragraph 294 of the FAC.
295. Denies each and every allegation as stated in paragraph 295 of the FAC.
296. Paragraph 296 of the FAC states a legal conclusion to which no response is required. To the extent a response is required, denies the allegations as stated in paragraph 296 of the FAC.
297. Denies each and every allegation as stated in paragraph 297 of the FAC.

298. Denies each and every allegation as stated in paragraph 298 of the FAC.

299. Denies the allegations as stated in paragraph 299 of the FAC.

300. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 300 of the FAC.

301. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 301 of the FAC.

302. Denies knowledge or information sufficient to form a belief as to the truth of the allegations as stated in paragraph 302 of the FAC.

303. Denies each and every allegation as stated in paragraph 303 of the FAC.

304. Denies each and every allegation as stated in paragraph 304 of the FAC.

305. Paragraph 305 of the FAC states a legal conclusion to which no response is required. To the extent a response is required, denies the allegations as stated in paragraph 305 of the FAC.

306. Denies each and every allegation as stated in paragraph 306 of the FAC.

**ANSWER TO COUNT 9 – RACKETEERING INFLUENCED CORRUPT
ORGANIZATIONS ACT (“RICO”) 18 U.S.C. § 1962(d)
(Nirav Modi, Mihir Bhansali, Ajay Ghandi)**

307. Repeats and reasserts each and every response to paragraphs 1 through 307 of the FAC as if more particularly set forth herein.

308. Denies each and every allegation as stated in paragraph 308 of the FAC.

309. Denies each and every allegation as stated in paragraph 309 of the FAC.

310. Paragraph 298 of the FAC states a legal conclusion to which no response is required. To the extent a response is required, denies the allegations as stated in paragraph 310 of the FAC.

311. Denies each and every allegation as stated in paragraph 311 of the FAC.

312. Denies each and every allegation as stated in paragraph 312 of the FAC.

313. Denies each and every allegation as stated in paragraph 313 of the FAC.

DEFENSES

1. The relief requested in the FAC should be denied for failure to state a claim upon which relief may be granted.

2. To the extent that the alleged transfers did not involve the transfer of any property of the Debtor(s), they are not recoverable from Defendant.

3. The relief requested in the FAC should be denied to the extent the alleged transfers were not to or for the benefit of Mr. Bhansali.

4. The relief requested in the FAC should be denied to the extent Mr. Bhansali is not an initial transferee, or the immediate or mediate transferee of such initial transferee.

5. The relief requested in the FAC should be denied to the extent Mr. Bhansali is a mere conduit or financial intermediary.

6. The relief requested in the FAC should be denied to the extent the alleged transfers were in payment of debts incurred by one or more of the Debtor(s) in the ordinary course of business or financial affairs of the Debtor(s) and Mr. Bhansali and were made according to ordinary business terms.

7. The relief requested in the FAC should be denied to the extent Mr. Bhansali extended new value to one or more of the Debtors after the alleged transfers.

8. The relief requested in the FAC should be denied, in whole or in part, to the extent that the alleged transfers were not made on account of an antecedent debt, but rather were advance payments.

9. The relief requested in the FAC should be denied, in whole or part, to the extent the alleged transfers are subject to the doctrine of recoupment.

10. The relief requested in the FAC should be denied, in whole or part, to the extent the alleged transfers are subject to the doctrine of setoff.

11. The relief requested in the FAC should be denied to the extent that, at the time of the alleged transfers, the transferor did not intend to incur, and did not believe or should not have reasonably believed that it would incur, debts beyond its ability to pay as they became due.

12. The relief requested in the FAC should be denied to the extent the transferor received reasonably equivalent value for the alleged transfers.

13. The relief requested in the FAC should be denied to the extent it is determined through investigation and discovery that the alleged transfers were not made by any of the Debtors, but rather by a non-debtor affiliate or other entity.

14. The relief requested in the FAC should be denied to the extent the Trustee lacks authorization and standing to pursue the relief requested in the FAC on behalf of or in lieu of Debtors.

15. Mr. Bhansali's conduct alleged in the FAC conformed with all state and federal statutes, regulations, and industry standards.

16. Mr. Bhansali has at all times acted in good faith and had reasonable grounds for believing that any alleged acts and omissions were not a violation of state and federal statutes, regulations, or industry standards based upon the state of knowledge existing at the time.

17. relief requested in the FAC should be denied, in whole or in part, to the extent that the Trustee's claims are barred or limited by Mr. Bhansali's good faith efforts to comply with applicable law.

18. The relief requested in the FAC should be denied, in whole or in part, to the extent that the Trustee's claims are barred by the doctrine of estoppel.

19. The relief requested in the FAC should be denied, in whole or in part, to the extent that the Trustee's claims are barred by the statute of limitations and/or jurisdictional prerequisites.

20. The relief requested in the FAC should be denied, in whole or in part, to the extent that the Trustee's claims are barred by the doctrine of laches.

21. The relief requested in the FAC should be denied, in whole or in part, to the extent that the Trustee's claims are barred by the doctrine of waiver.

22. The relief requested in the FAC should be denied, in whole or in part, to the extent that the Trustee's claims are barred by the doctrine of unclean hands.

23. Mr. Bhansali duly performed, satisfied, and discharged all duties and obligations he may have owed to the Trustee.

24. The relief requested in the FAC should be denied, in whole or in part, to the extent that any purported wrongdoing by Mr. Bhansali was due to the fraud of other parties.

25. The FAC fails to adequately plead the elements of a RICO violation, including but not limited to an enterprise, pattern of racketeering activity, predicate acts, continuity of conduct, and injury to the Debtors.

26. The relief requested in the FAC should be denied, in whole or in part, because Mr. Bhansali did not directly, actually, or proximately cause or contribute to any damages, loss, or injury allegedly sustained by Debtor(s).

27. The relief requested in the FAC should be denied, in whole or in part, because Mr. Bhansali did not act with the requisite scienter.

28. The relief requested in the FAC should be denied, in whole or in part, to the extent that any alleged damage to the Debtor(s) was caused in whole or in part by intervening and/or superseding causes unrelated to the alleged conduct of Mr. Bhansali, by the acts of others over whom Mr. Bhansali exercised no control, through forces in the marketplace over which Mr. Bhansali had no control, or through acts or omissions by one or more of the Debtors.

29. The relief requested in the FAC should be denied, in whole or in part, because any recovery would result in unjust enrichment to Debtor(s).

30. The relief requested in the FAC should be denied, in whole or in part, by Debtor(s) failure to mitigate their alleged damages, if any.

31. Debtor(s) are not entitled to the recovery of any costs or attorneys' fees in connection with this action.

32. The Trustee has failed to join indispensable parties needed under Rule 19(b) of the Federal Rules of Civil Procedure.

33. Mr. Bhansali hereby adopts and incorporates by reference any and all other defenses asserted or to be asserted by any other defendant to the extent Mr. Bhansali may share in such defense.

34. To the extent applicable, Mr. Bhansali hereby incorporates by reference all affirmative defenses set forth in Rule 8 of the Federal Rules of Civil Procedure, made applicable in this adversary proceeding pursuant to Rule 7008 of the Federal Rules of Bankruptcy Procedure.

JURY DEMAND

Mr. Bhansali demands a trial by jury pursuant to Rule 38(b) of the Federal Rules of Civil Procedure, as incorporated by Rule 9015 of the Federal Rules of Bankruptcy Procedure, of all issues so triable.

RESERVATION OF RIGHTS

Mr. Bhansali presently has insufficient knowledge or information upon which to form a belief as to whether there may be other, as yet unstated, defenses available to Mr. Bhansali, and therefore expressly reserves, in accordance with applicable law, the right to amend or supplement his answer, defenses and all other pleadings, and the right to assert any and all other additional and further defenses as appropriate, including defenses that may be revealed by discovery or otherwise.


Pursuant to Federal Rules of Bankruptcy Procedure 7008 and 7012, Mr. Bhansali does not consent to the entry of final orders or judgments by the Court.

WHEREFORE, Mr. Bhansali respectfully requests the following relief from the Court:

- (a) that the FAC be dismissed in its entirety, with prejudice;
- (b) costs and disbursements of this Adversary Proceeding be awarded to Mr. Bhansali; and
- (c) that Mr. Bhansali have such other and further relief that this Court may deem just and proper.

Dated: New York, New York
March 11, 2022

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